

General Ledger - Year End

BGL-2

The Munis® financial management system includes programs to automate the closing and opening of a fiscal year. The instructions in this document guide a user through the steps and procedures to prepare for and perform fiscal year end close as well as posting prior year adjustments.

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OVERVIEW

The Munis® financial management system includes programs to automate the closing and opening of a fiscal year. The instructions in this document guide a user through the steps and procedures to prepare and perform the fiscal year end close.

Munis® includes two important features that provide flexibility in the fiscal year-end process:

1. Transactions can be processed in the next fiscal year before the old fiscal year is closed.
2. Adjusting journal entries can be posted to the prior fiscal year even after the fiscal year is closed.

The fiscal year must be closed prior to producing state required reports such as the Annual Financial Report and prior to performing budget completion to post the next year's budget to the accounts.

NEW for 2014-15 - Fund 21-Special Revenue District Activity Fund (Annual Fund) and Fund 22-Special Revenue District Activity Funds (Multi-Year) were added to the chart of accounts. Many districts chose to add one of these for reporting District Activity Funds. These funds are handled differently at year end. This document contains instructions on processing the required entries after closing the fiscal year. Refer to [Appendix C](#) for processing Fund 21 adjusting entries.

CHECKLIST FOR FISCAL YEAR-END PROCESSING

A checklist has been developed to provide guidance through the steps that must be completed to prepare for and complete year-end processing. Print a copy of this checklist and keep it close at hand while completing each activity necessary to successfully close the fiscal year. (Control and Click to go to the detail section for each step.)

PREPARING FOR FISCAL YEAR-END PROCESSING

PRIOR TO JUNE 30TH:

Complete these steps prior to the end of the fiscal year:

1.	Create default Journal Numbers for the new fiscal year.
2.	If you use the Munis® Accounts Receivable and/or General Billing module(s), add charge codes for the new-year.
3.	Review old year projects and ensure project-to-date actuals net to zero and adjust if necessary.
4.	Begin a review of all outstanding current year Purchase Orders deleting any POs that will not be liquidated before year-end and should not carry forward into the new-year.
5.	Enter Invoices on hand into Invoice Entry in period 12 of the current year and Output post any open invoice batches. Print checks and run Cash Disbursement Journals in Period 1 of the next year.
6.	Conduct a review of all outstanding current-year invoices.
7.	Run the General Ledger Tables Validation – Comprehensive to identify any outstanding errors.
8.	Verify all journals have been closed to a period and reconcile/close any open periods (Periods 1 - 11).
9.	Run the GL Comply Utility.
10.	Verify that no other adjustments need to be made in Munis for the prior fiscal year. Once the current fiscal year is closed, no further entries can be made to the prior year. (Example: Current Year is 2014-15; Prior Year is 2013-14; Once 2014-15 year is closed, no entries can be made in 2013-14.)

ON 1ST WORKING DAY OF NEW FISCAL YEAR:

The following actions **MUST** be completed on the first working day of the new fiscal year:

1.	Use 'Roll Accounting Period' to set Default Period to the new year/period. This step is vital to being able to successfully process the Budget Completion step after the year has been closed.
2.	Run the 'Set Holding-Year-Open-Flag' option.

AFTER JULY 1ST / PRIOR TO CLOSING FISCAL YEAR:

Verify that all of the steps below have been completed prior to closing the fiscal year:

1.	Continue entering FY15 invoices on hand into Invoice Entry in period 12 of the current year and Output post all open invoice batches. Print checks and run Cash Disbursement Journals in Period 1 of the next year.
2.	Conduct a final review of all outstanding current-year invoices.
3.	Review any unposted current year journals.
4.	Process Munis® Utilities.
5.	Conduct a final review of all outstanding current year Purchase Orders, cancelling POs that will not be liquidated before year-end and should not carry forward into the new-year.
6.	Verify all journals have been closed to a period and reconcile/close any open periods (Period 1 - 12).
7.	Process the GL Tables Validation - Full to identify any outstanding errors prior to closing the year.
8.	Prove encumbrance balances.
9.	Review Balance Sheets for prior year entries and reconcile cash to bank.
10.	Refresh the Train environment and complete the Year End Close process in the Train environment to reduce the chance of problems during closing in the Live environment.

PERFORMING FISCAL YEAR-END PROCESSING

1.	Perform a Year End Close Backup in cloud admin. More information on the Year End Backup is available in the document " <i>Cloud Admin 2.0</i> " which can be found on the KDE Munis Support & Guides webpage . THIS STEP IS CRITICAL!!!
2.	Halt all Munis® processing until year-end processing has been completed.
3.	Perform Close Current Fiscal Year .
4.	Produce the (F)inal Year-end Trial Balance Report .
5.	Process Open New Fiscal Year .
6.	Run a Budget Completion Journal/Updt for appropriate budget projections. Note: Make sure the Default Year/Period has been updated. You cannot perform the Budget Completion step if this is still set to the prior year.
7.	Allow staff to resume Munis® processing. All activities from this point forward will be new-year processing.

POSTING LAST YEAR ADJUSTMENTS

1.	Verify and enter additional Accounts Payable (7421) and Accounts Receivable (6153) into period 13. The entry to accounts receivable is not necessary if you use the General Billing module. <i>(Note: Remember to enter Fund 21 Accounts Payable and Accounts Receivable.)</i>
2.	Verify and enter Unearned Revenue (7481) and Accounts Receivable (6153) for Fund 2 projects. Fund 2 projects should be balanced properly before making unearned revenue and accounts receivable entries. This step is not necessary if using the General Billing module. <i>(Note: This step does not apply to Fund 22 even though it is set up as a special revenue multi-year fund.)</i>
3.	If appropriate, post journal entries for non-spendable (872X) fund balances.
4.	If appropriate, post journal entries for restricted (873X) fund balances.
5.	If appropriate, post journal entries for committed (874X) fund balances.
6.	If appropriate, post journal entries for assigned (875X) fund balances.
7.	Perform the process to Post Last Year Adjustments. Any additional adjustments including depreciation and auditor entries can be entered in period 13 after year-end close.

GENERATING AFR REPORTS

- | | |
|----|---|
| 1. | Produce the Annual Financial Report (Refer to Munis Annual Financial Report Guide (STW-GL2) which can be found on the KDE Munis Support & Guides webpage). |
|----|---|

NEW YEAR PROCESSING

- | | |
|----|---|
| 1. | Reverse the accounts payable (7421) and accounts receivable (6153) Annual Fund adjusting entries made to prepare for fiscal year end close. The entry to accounts receivable is not necessary if you use the General Billing module. <i>(Note: Remember to reverse the entries in Fund 21 if you are not using the General Billing module.)</i> |
| 2. | Reverse the unearned revenue (7481) and accounts receivable (6153) Fund 2 adjusting entries made to prepare for fiscal year end close. This step is not necessary if using the General Billing module. <i>(Note: This step does not apply to Fund 22 even though it is a special revenue multi-year fund.)</i> |
| 3. | Move appropriate fund balances (87XX) to Beginning Balance. Moving beginning balances (0999X) which varies by type of fund. For further instructions, please see detail provided in the NEW YEAR PROCESSING section of this document. |
| 4. | Budget Site Based Carry Forward, (8741) for committed and (8752) for assigned, in the new fiscal year. |
| 5. | Enter a budget amendment to reconcile the amount budgeted in 0999X to actual Beginning Balance. |

PREPARING FOR FISCAL YEAR-END PROCESSING

Adequate preparation for fiscal year-end is critical to the successful completion of fiscal year end processing. This section provides instructions to assist you in ensuring that fiscal year transactions have been completed and reconciled in anticipation of closing the fiscal year.

PRIOR TO JUNE 30TH:

A review of fiscal year financial transactions should take place before the end of the fiscal year. This is an opportunity to identify and reconcile outstanding transactions, complete outstanding processing and verify transactions that will carry forward into the new fiscal year.




1. CREATE NEW YEAR DEFAULT JOURNAL NUMBERS

Default journal numbers must be established for each fiscal year. Posting journal entries to the new-year before establishing default journal numbers will generate an error message.

Select:

Financials >General Ledger >Miscellaneous Set Up >Journal Number Control

- Select **Browse**  from the Task Bar to determine if default journal numbers have been generated for the new-year. Close the window to return to the previous screen.
- If default journal numbers have not been generated for the new-year, select the **Copy** button and enter an original year and new-year to copy the journal numbers to the new-year.



2. ADD CHARGE CODES TO ACCOUNTS RECEIVABLE/GENERAL BILLING

Charge codes are specific to each fiscal year and must be created for the new fiscal year before bills or receivables can be entered in the new-year. This is accomplished through the A/R Charge Code file maintenance program.

Select:

General Revenue >Accounts Receivable >Setup >Accounts Receivable Charge Codes

- Select the appropriate type of change code from the available options.
- Perform a find on all current year charge codes.
- Select the **Copy** button to open the screen to perform a mass copy.
- In the copy screen select **Copy** button and enter the correct Model year and Target year. Upon completing the entry you are prompted to copy all selected entries found in the Model year to the Target year.

-Individually add or delete any charge codes you may need in the new-year.



3. REVIEW OLD YEAR PROJECTS

Before project accounts can be set to closed status, total receipts and expenditures in the project-to-date column must net to zero (0). If more money was expended in a grant than received, the excess expenditures must be moved to the correct project or to the general fund.

Run the **Project Budget Report** for closed, inactive and active grants (using the Seg-Find option) and review project totals to identify projects that do not net to zero (0). Compare actual project revenues and expenditures to budgeted amounts to analyze excess expenditures or revenue.

Select:

Financials >General Ledger >Inquiries and Reports Menu >State Specific Reports >Kentucky Reports >Project Budget Report

Refer to the document entitled Project Budget Report in the **General Ledger & Statewide Reports** section of the KDE [Munis Support & Guides](#) webpage for instructions on running the report. Review all grants on the Project Budget Report for accuracy.



4. REVIEW ALL OPEN PURCHASE ORDERS

The Munis® GAAP method transfers all open Purchase Orders at year-end to the new-year during the fiscal year-end process so the POs can be expended in the new-year. If an encumbered account is included in a new-year budget projection, the associated budget amount will be brought forward to cover the previous year's purchase orders.

Refer to [Appendix B Processing Purchase Orders at Year-End](#) for detailed documentation on outstanding Purchase Orders at year-end.



5. ENTER CURRENT FY INVOICES ON HAND

Identify and enter invoices for goods and services received on or before June 30 in period 12 of the current year. The expenditures must be recorded to accounts payable (7421) in the current year. **Include invoices that were dated on or before June 30 but will be not be approved by the Board and paid until period 1 of the new fiscal year.** Since Cash Disbursement Journals will not be run for these invoices until Period 1 of the next fiscal year, use a warrant name (number) in the next fiscal year.

Note: Do not print checks and run Cash Disbursement Journals until Period 1 of the next year.



6. REVIEW ALL OPEN INVOICES

Review all outstanding invoices in Munis® and cancel any invoices that should not remain open. An example is an open invoice that will not be paid is a voided check where the corresponding invoice was not canceled. To review open invoices, print the **Invoice History by G/L Account** report.

NOTE: You may choose to run this report after hours as it may take a significant amount of time to complete.

Select:

Financials >Accounts Payable >Invoice Inquiry and Reports >Invoice History by GL Account

1. Select the **History by Fund** button.
2. Enter the following field values:
 - **Fund Range:** ***Use default settings
 - **Invoice Selection:** Only open invoices
 - **Year/Period:** Period 12 of the current year
 - **Last Check Date:** Enter the month ending date of the Year/Period selected above (i.e., 06/30/XXXX)
3. Select an output method for the report.



7. RUN A COMPREHENSIVE GL TABLES VALIDATION

Performing a comprehensive tables' validation prior to the end of the year and resolving the issues reduces the number of table validation errors found as you near year end processing.

Select:

Financials >General Ledger >End of Period Menu >General Ledger Tables Validation

1. Select the **Comprehensive** button and select OK
2. Select **Run Table Val** to determine any errors prior to closing the year.
3. Select Output method to review the report.

To access Munis® table validation documentation, go to the [Munis KnowledgeBase](#) and perform a search for the document entitled "Guide to GL Table Validation Report Version 10.0 or Greater". Please contact Munis® Support for assistance with validation errors.

NOTE: Each problem identified by the Tables Validation Report should be analyzed and resolved before proceeding with Year End processing.



8. CLOSE AND RECONCILE OPEN PERIODS

Close and reconcile all open periods (Periods 1 – 11) by performing normal Month End Processing.




9. RUN THE GL COMPLY UTILITY

Run the GL Comply Utility and correct any accounts that are not in compliance with KDE's Chart of Accounts.

Select:

System Administration > Miscellaneous Administration > System Update

1. Select **Define Update Options**.
2. In the Utility / Program ID blank space enter *glcomply* and click **OK**  to accept the program.
3. Click on **Run System Update** then select **Yes**.
4. Select **GL Compliance** and select **Process**. There is no need to enter an Input path/file name as it should already be entered.
5. Select an output method, review the report and make any necessary corrections.



VERIFY THAT NO ADJUSTMENTS ARE NEEDED IN THE PRIOR FISCAL YEAR

Verify that no other adjustments need to be made in Munis for the prior fiscal year. Once the current fiscal year is closed, no further entries can be made to the prior year. (Example: Current Year is 2014-15. Prior Year is 2013-14. After the 2014-15 school year is closed, no entries can be made in 2013-14.)

ON THE 1ST WORKING DAY OF THE NEW YEAR:

The following steps **MUST** be performed on the first working day of the new-year before starting to process in the new-year:





1. SET DEFAULT YEAR/PERIOD

Setting the Default Year/Period will default Munis® processing such as PO batches, Invoice batches, etc., to the new-year. Next-Year POs may not be liquidated until the **Default Year/Period is set to the next fiscal year.**

Select:

Financials >General Ledger >End of Period Menu >Roll Accounting Period

1. Select **Update** .
2. Change default year to the next fiscal year and the period to **01**.
3. Select **OK**  or press Enter.

NOTE: *The default period for Munis® processing is now period 1 of the next year. If you are performing current fiscal year processing after June 30, you must change the year/period to Period 12 of the current year in the appropriate module.*



2. UPDATE THE “SET HOLDING-YEAR-OPEN FLAG”

The “Set Holding-Year-Open Flag” allows liquidation of next year purchase orders once the Default Year/Period is set to the next fiscal year. It also allows journals to be posted in periods 1 through 12 in the prior year until the close current fiscal year process is completed.

Select:

Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Set Holding-Year-Open Flag

1. Select **Update** .
2. Check the **Holding current year open** box.

AFTER JULY 1st / PRIOR TO CLOSING THE FISCAL YEAR:

A critical aspect of the year-end close process is the review of all fiscal year transactions to ensure that current year processing has been completed and that the district is prepared to close the fiscal year.



1. ENTER ANY REMAINING CURRENT FY INVOICES ON HAND

Ensure that all invoices for goods and services received on or before June 30 have been entered in period 12 of the current fiscal year. These expenditures must be recorded to accounts payable (7421) in the current fiscal year. **Include invoices that were dated on or before June 30 but will be not be approved by the Board and paid until period 1 of the new fiscal year.**

Since Cash Disbursement Journals will not be run for these invoices until Period 1 of the next fiscal year, use a warrant name (number) in the next fiscal year.

NOTE: Print checks and run Cash Disbursement Journals in Period 1 of the next fiscal year.



2. REVIEW ALL OPEN INVOICES

Review all outstanding invoices in Munis® and cancel any invoices that should not remain open. An example is an open invoice that will not be paid is a voided check where the corresponding invoice was not canceled. To review open invoices, print the **Invoice History by G/L Account** report.

NOTE: You may choose to run this report after hours as it may take a significant amount of time to complete.

Select:

Financials >Accounts Payable >Invoice Inquiry and Reports >Invoice History By GL Account

- Select **History by Fund**.
- Enter the following field values:
 - **Fund Range:** Use default settings
 - **Invoice Selection:** Only open invoices
 - **Year/Period:** Period 12 of the current year
 - **Last Check Date:** Enter the month ending date of the Year/Period selected above (i.e., 06/30/XXXX)

4. Select an output method for the report.




3. REVIEW ANY UNPOSTED CURRENT YEAR JOURNALS

Outstanding current year purchase orders, invoices, receipts, and payrolls must be posted before initiating year-end processing. Perform the following steps to ensure that there are no outstanding current year transactions that should be output-posted.

General Journals

Select:


Financials >General Ledger >Journal Entry/History >General Journal Entry/Proof

1. Select **Browse**  and select the Browse all journals option.
2. Review each journal listed. Cancel any journals that should not be processed.
3. Select an output method to post any outstanding journals.

Budget Amendment Journals

Select:



Financials >Budget Processing >Budget Transfers and Amendments

1. Select **Browse**  and select the Browse All journals option to view all un-posted journals.
2. Review each journal listed. Cancel any journals that should not be processed.
3. Select an output method to post any outstanding journals.

Current Year Requisitions

Select:


Financials >Purchasing >Purchase Order Processing >Requisition Entry

1. Select **Find** , enter into the FY field less than and the next fiscal year (e.g. "<20XX"), enter into the Status field ">0" and click on **OK** . This will retrieve all requisitions older than the next fiscal year and are open.
2. Review each open requisition in detail. Delete any requisitions that should not be carried forward to the new-year.
3. Complete requisition processing on any outstanding requisitions.

Current Year Purchase Orders

Select:


Financials >Purchasing >Purchase Order Processing >Purchase Order Entry

1. Select **Browse**  to display any open batches of purchase orders.
2. Review and cancel any incorrect journals.
3. Select **Output/Post** button to complete entry processing on any outstanding batches of purchase orders.

Current Year Encumbrance Journals

Select:


Financials >General Ledger >Journal Entry/History >Encumbrance Journal Ent/Proof

1. Select **Browse**  to display any open batches of purchase orders and select the *Browse All journals* option.
2. Review each journal listed. Cancel any journals that should not be processed.
3. Select an output method to post any outstanding journals.

Invoices

Select:


Financials >Accounts Payable >Invoice Processing >Invoice Entry

1. Select **Browse**  to view any open batches of invoices.
2. Review each batch in detail. Cancel any invoices that should not be processed in the current year.
3. Select the **Output/Post** button to complete entry processing on any outstanding batches of invoices.

Miscellaneous Cash and General Billing Receipts Payment Journals

Select:


General Revenues >Payment Processing >Payment Entry

1. Select **Browse**  to display all outstanding batches of cash receipts.
2. Review each batch in detail. Reverse any receipts that should not be processed in the current year.
3. Select the **Output-Rel** button to release any outstanding cash receipts batches.
4. Select the **Payments Journal and Post** program and Output/Post any batches.

General Billing Invoice Journals

Select:


General Revenues >General Billing >Invoice Processing >Invoice Entry and Proof

1. Select **Browse**  to view any open batches of invoices.
2. Review each batch in detail. Cancel any invoices that should not be processed in the current year.
3. Select the **Output Post** button to complete the processing on any outstanding batches of invoices.

Payroll Processing

Select:

Human Resources/Payroll > Payroll > Payroll Processing > Payroll Start and Status

1. Select **Find**  and blank the **Complete** box to select payrolls that have not been completed.
2. Perform any tasks that are required to complete the payroll.


NOTE: It is imperative that all current year payrolls be posted to the General Ledger prior to year-end processing.

Vendor Payroll Processing

If vendor payments are processed as a separate payroll, ensure that there are no outstanding vendor payrolls.

Select:

Human Resources/Payroll > Payroll > Payroll Processing > Payroll Vendor Processing


1. Select **Find**  and blank the **Complete** box to select vendor payrolls that have not been completed.
2. Perform any tasks that are required to complete the payroll.

Cash Disbursements

Verify that all A/P cash disbursements have been posted to the general ledger.

Select:

Financials >Accounts Payable >Cash Disbursement Menu >Cash Disbursements Journal

1. Select the **Define** button to define journal information as it is normally entered.
2. Select **Browse**  to review checks before posting.
3. Select **Output-post** to process **current year** journal entries.



4. PROCESS Munis® UTILITIES

Munis® provides utilities to assist in maintaining a balanced set of accounts. The utilities can correct table validation errors as well as resolve some reporting discrepancies. It is recommended you run the utilities each month.

Notes:

1. No users should be on the system while running the utilities as this could have adverse effects on the results.
2. Ensure you have a good backup prior to running the utilities. You have an option to backup the database using Cloud Admin 2.0. However, please be aware these backups are only kept for a few weeks and each time a backup is performed it replaces the prior backup. A full back up is completed by Munis® ASP Support each night that will be retained. More information on the Year End Backup is available in the document “Cloud Admin 2.0” which can be found in the System & Cloud Administration section of the [KDE Munis Support & Guides](#) webpage.:

3. Review all reports generated from the utilities. If a large number of records are reported or there appears to be a recurring problem, please contact Munis® Support to identify the source of the problem.

GLFIXMEM

This utility compares the memo balance value to the sum of all activity on the account including transactions yet to be posted. It will compare and correct last year, current year, and next year totals.

The memo balance field represents the balance on the account at the precise moment a report or query is run. This field is used in a variety of reports run using period 99, screens showing the balance and is used to determine available budget when entering a transaction.

Select:

System Administration > Diagnostic Tools > General Ledger Memo Balance Utility

1. In the new pane, click the **Select** button. This will recalculate the memo balances for each account and identify any discrepancies.
2. If any discrepancies are found, a pane appears prompting to print or spool the error report. Please print or spool/display this report and review prior to proceeding.
3. After reviewing the report click the **Process** button to adjust the memo balances.

GLENCUTE

This utility identifies Purchase Orders with invalid or incorrect amounts and recalculates the correct encumbrance balance on each general ledger account.

Select:

System Administration > Diagnostic Tools > General Ledger Encumbrance

1. In the new pane, click the **Select** button. This will identify any purchase order or encumbrance amount discrepancies.
2. If any discrepancies are found, a pane appears prompting to print or spool the error report. Please print or spool/display this report and review prior to proceeding. The report contains an action column identifying the action taken or needed. Following are the codes and action required:

UPD –The Process button in the utility will update the amounts on the general ledger accounts

JNL – A manual encumbrance entry is needed to fix and correct the discrepancy. The JOURNAL AMT column identifies the encumbrance/liquidation amount that must be posted to the account.

UPDJNL – The Process button in the utility will update information AND a manual encumbrance entry is needed to correct the discrepancy. The JOURNAL AMT column identifies the encumbrance/liquidation amount that must be posted to the account.

REVIEW – These accounts have GEL (manual encumbrance journals) journals posted to the account in addition to PO/Contracts posted. This account requires manual proving of encumbrances as an existing manual encumbrance journal entry may have corrected the issue.

MY – A warning showing a PO/Contract transaction crosses more than one fiscal year.

If an error requires creating a manual encumbrance/liquidation entry, create this entry using the Encumbrance Journal Entry/Proof program. The report may contain purchase order errors that must be corrected by Munis® Support. Please contact them for resolution to purchase order errors prior to Processing the update.

3. If the error report contains any UPD or UPDJNL Actions click the **Process** button to allow the program to make the necessary adjustments.
4. If any manual encumbrance/liquidation entries are posted it is suggested you rerun this encumbrance utility to ensure the manual adjustments have corrected the problems.

GLFXJNLD


This utility resets the effective date of journals that are outside the range of the period where the journal is posted. These journals pose no problem in Munis® though they can make it difficult reconciling reports run by effective date versus year/period.

The utility only updates journals closed to a month.

Select:

System Administration >Miscellaneous Administration >System Update

1. Select the **Define Update Options** button and enter *glfxjnl* in the **Utility / Program ID** field.
2. Select the **Run System Update** button to run the utility.
3. When the pane appears prompting for confirmation, click **Yes**.

4. Another pane appears providing information on program options. Click the **OK**  button to continue.
5. In the new pane, click the **Define** button and enter criteria to define a range of journals to select and verify or update.
6. Select either the Verify or Update option. Verify will simply produce a list of journals with a discrepancy. If you select the Update option, the update will occur when selecting the **Process** button. It is recommended you run initially with the Verify option to view the proposed changes prior to running with the Update option.
7. Click the **Process** button to produce a spooled report (Verify) of discrepancies or Update the effective date of the selected journals.

GLFIXREQ

This utility is needed only for Districts using Munis® requisitions. The utility recalculates and corrects the requisition balance on general ledger accounts.

Select:

System Administration >Diagnostic Tools >General Ledger Requisition Amount

1. In the new pane, click the **Select** button. This will identify any requisition amount discrepancies on accounts.
2. If any discrepancies are found a pane appears prompting to print or spool the error report. Please print or spool/display this report and review prior to proceeding.
3. After reviewing the report click the Process button to adjust the requisition amount.



5. CONDUCT A FINAL REVIEW OF OUTSTANDING PURCHASE ORDERS

Review all open Purchase Orders. Unless closed or canceled, all outstanding purchase orders are carried forward into the next fiscal year during year end close. Before closing the year, close, cancel or delete any purchase orders that should not be carried into the new-year or POs that have zero balances and remain open. Post these transactions to period 12. Also ensure no open PO batches for the current year purchase orders exist.

Refer to the [Appendix B](#) **Purchase Order Processing at Year End** for specific instructions.



6. CLOSE AND RECONCILE OPEN PERIODS

Close and reconcile all open periods (Periods 1 – 12) by performing normal Month End Processing.



7. RUN A (FULL) G/L TABLES VALIDATION

Select:

Financials >General Ledger >End of Period Menu >General Ledger Tables Validation

1. Select the **Comprehensive** button and enter the fund range to determine any errors prior to closing the year.
2. Select **Run Table Val** and an output method to review the report.

Please contact Munis® Support for assistance with prior year validation errors.

NOTE: Each problem identified by the Tables Validation Report should be analyzed and resolved before proceeding with Year End processing.



8. PROVE PURCHASE OBLIGATION (ENCUMBRANCE) BALANCES

It is critical purchase obligation balances are correct before closing out the year, as they cannot be updated for a prior year once the new-year has begun.

At Fiscal Year End:

1. Check for open PO batches in PO Entry. Address open purchase order batches.
2. Ensure the above steps 1 through 7 were recently performed and completed. **MAKE SURE ALL PURCHASE ORDERS OLDER THEN THE CURRENT FISCAL YEAR HAVE A CLOSED STATUS.** See [APPENDIX B: Processing Purchase Orders at Year-End](#), Identifying Outdated PO's.
3. Ensure the PO by GL Account report produced in [APPENDIX B: Processing Purchase Orders at Year-End](#) accurately reflects the balance of each purchase order to be carried forward. If it does not match use Purchase Order Maintenance to affect any PO as required, being very careful to put in the proper posting year. Do not continue until this report is perfect.
4. Run the YTD Budget Report for period 13.

Select:

Financials >General Ledger >Inquiries and Reports >YTD Budget Report

Ensure the report is run for the current fiscal year and period 13

5. Compare the encumbrance totals between the YTD Budget report (period 13) and the PO by GL Account report. If any discrepancies arise, make any necessary Encumbrance Journal Entries to reconcile the two reports. After encumbrance journals are posted, rerun the YTD Budget Report (period 13) to ensure the reports match. Do not continue until both reports match.

Select the following should you need to enter encumbrance journals:

Financials >General Ledger Menu >Journal Entry/History >Encumbrance Journal Ent/Proof




Enter encumbrance journals just as you would a general journal entry, remembering this is not a balanced journal. There are just encumbrances and liquidations.

6. Run the YTD Budget Report for period 99. Period 99 provides a precise, up to the moment balance on accounts including all posted and un-posted purchase orders. At this point in time the period 13 and period 99 amounts should match. Compare the reports and ensure the encumbrance amounts match. If they do not reconcile, make adjustments to the “Encumbrances” amount in the G/L Account F/M.

Select:

Financials >General Ledger Menu >Set-Up/Chart of Accounts Menu >Account Master

Note: Use caution in making the changes!!! Only users with “Amount maintenance on accounts” GL Permissions may make these changes.

- a. Select **Find**  and enter an account that requires adjusting.
 - b. Click on the **Amounts** button
 - c. Select **Update** 
 - d. Select **Curr Yr Totals** and click **OK**.
 - e. Change the Encumbrances amount.
 - f. Click **OK**  to accept the change.
7. Run a Balance Sheet and compare the purchase obligation balances to the encumbrance balance on the previous YTD Budget Report.

Select:

Financials >General Ledger Menu >End of Period Menu >Balance Sheet Report

- a. Select the **Define** button.
- b. Enter a Fund range and Reporting year/period of current fiscal year, period 13



9. REVIEW BALANCE SHEETS FOR PRIOR YEAR ENTRIES AND RECONCILE CASH TO BANK

Run a Balance Sheet and verify all liability and asset account balances are correct. Perform a reconciliation of cash to your bank statement to ensure last year’s accounts receivable, accounts payable and unearned revenues have been reversed and to ensure that unassigned fund balances are not still on the balance sheet.



10. IMPERATIVE! PERFORM YEAR END CLOSE IN TRAIN

Crucial! Do not skip this step! Refresh the Train Environment and perform the Year End Processing steps in the Train environment. This may identify any problems that you may be able to correct before performing year end processing in the live system. When you perform the process in Train, you can skip **Step 1-Perform a Backup**.

PERFORMING FISCAL YEAR-END PROCESSING

After all current year processing has been reviewed and all general ledger activity has been posted and reconciled to the appropriate periods, perform the following steps to close the fiscal year.



1. PERFORM A BACKUP

THIS STEP IS CRITICAL!! A full backup is completed by Munis® ASP Support each night that will be archived. Districts do have the ability to perform a Year End Backup of their database in Cloud Admin. However, please be aware these backups are only kept for a few weeks and each time a backup is performed it replaces the prior backup. This backup will provide a snapshot of the system immediately prior to “year-end close” and can be used to restore should an error occur during year-end processing. More information on the Year End Backup is available in the document “*Cloud Admin 2.0*” which can be found in the System & Cloud Administration section of the [KDE Munis Support & Guides](#) webpage.



2. HALT ALL SYSTEM PROCESSING

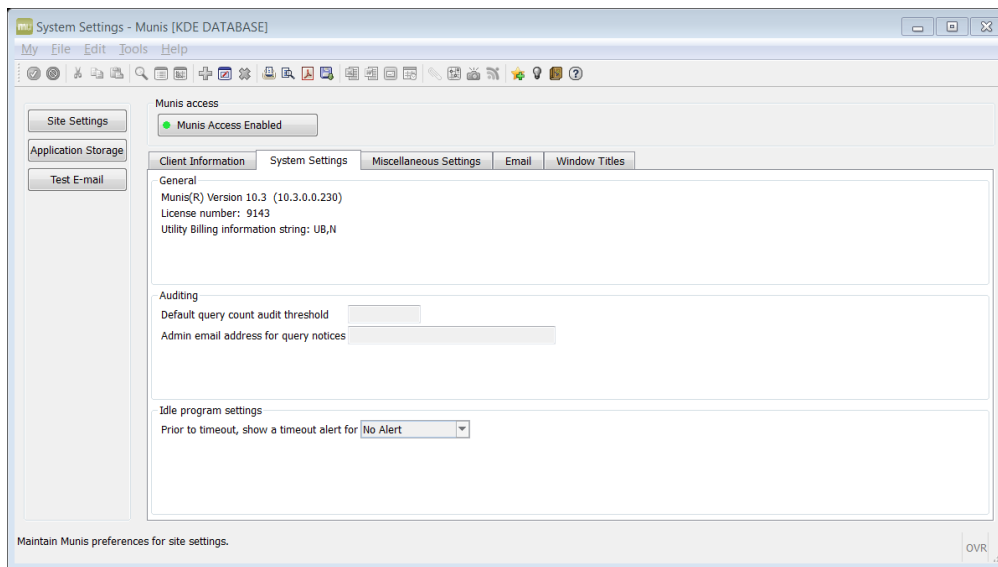
It is imperative at this point that all processing in Munis® be halted before proceeding with fiscal year-end close processing. Verify that all users are out of the system before proceeding.

Lock/Unlock Munis

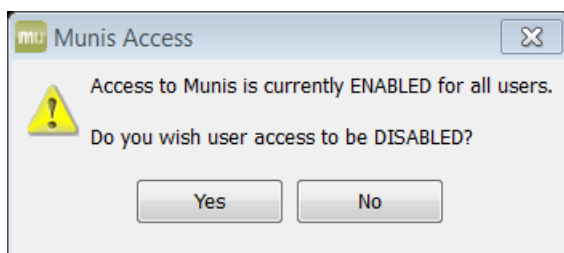
When Munis is locked, users will still be able to log into Munis. However, the menu will appear blank. Users will be able to see their My Programs but will not be able to open a program.

Munis Version 10.3:

System Administration >General Administration >System Settings

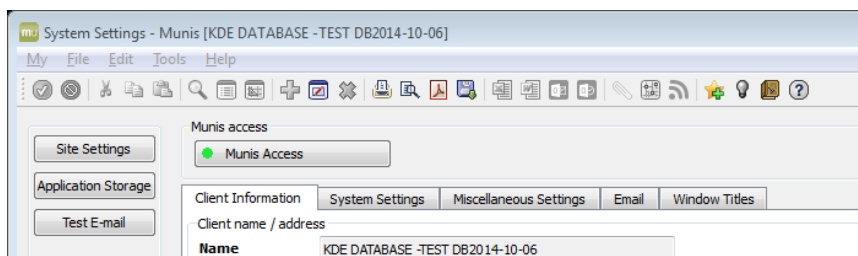


Select the Munis Access Enabled button then select Yes to the following prompt:

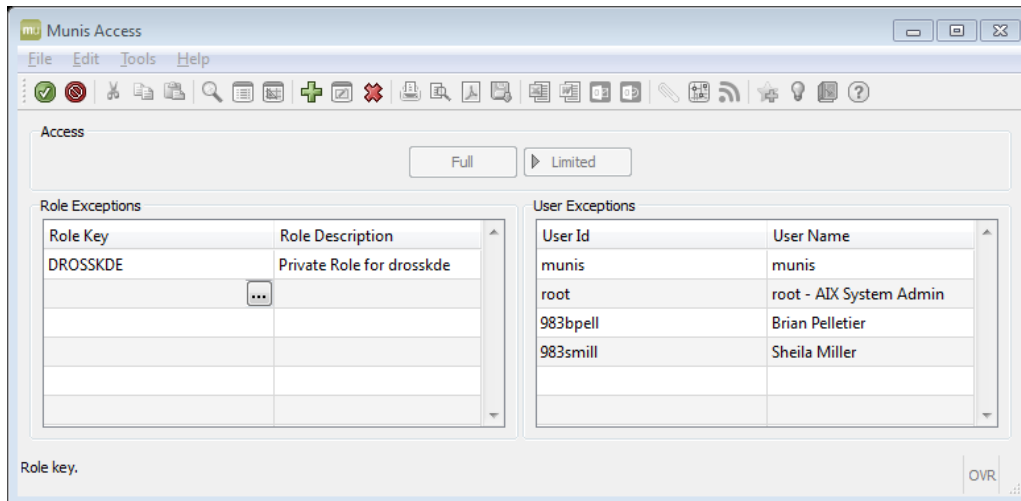


Munis Version 10.5

System Administration >General Administration >System Settings



Select the Munis Access button and the following screen will appear:



With full access enabled, a green triangle appears to the left of the Full button.

1. Select the Limited button to limit access then choose one or more User ID's and/or Roles that will have access during the restricted access period.
2. After selecting all users/roles that will have access, click the OK icon to restrict access.
3. The Munis Button on the Systems Settings screen will now show a red dot indicating limited access.

To allow access to Munis:

1. Click the Munis access button (now with a red dot) to open the Munis Access panel.
2. Click the Full button to allow full access to all valid Munis users.



3. CLOSE THE CURRENT FISCAL YEAR

Closing the current fiscal year performs important year-end accounting functions. After this process is complete, only period 13 is available for journals posting in the prior fiscal year.

Three processes occur during the close-current-fiscal-year process.

1. Outstanding purchase obligations (encumbrances) for open purchase orders are liquidated
2. Unassigned Fund Balance is assigned in the amount of outstanding purchase orders
3. Expenditures Control and Revenues Control balances are moved to Unassigned Fund Balance.

NOTE: *It is extremely important that you print and review the YEC journals that are generated during this process before posting.*

Select:

Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Close Current Fiscal Year

All closing, opening, budget completion and posting last year adjustment steps are included in this menu.

1. Select the **Process** button. The System performs year end processing and generates the YEC journals as described above.
2. Select the **Output/Post** button. **Print** or **Spool** the journals generated in the previous step.
3. After conducting a careful review of the output, enter a **Y** at the *Update the Closing entries?* prompt. The YEC journals generated during the Process step will be output posted.



4. PRODUCE A FINAL YEAR-END TRIAL BALANCE

Select: *Year End Trial Balance*

The Year End Trial Balance is a special version of the trial balance for year-end reporting and should be run to gain an end-of-year snapshot. In the program select **Define** and select **Final** for the Print version and enter the remaining criteria. Select an output method and review the report.



5. OPEN THE NEW FISCAL YEAR

Opening the new fiscal year prepares the system for new-year processing.

Select: *Open New Fiscal Year*

1. Select the **Define** button. Enter the **Journal Effective Date** and check the box “Create Carry Forward budget amendments...” if you want budget amendments created for Carry Forward POs/Contracts. Press enter after the define has been completed.

2. Select the **Process** button. The system performs processing to initiate the new-year and generates the SOY journals described above.
3. Select **Output-Post** from the Task Bar. **Print** or **Spool** the journals generated in the previous step. If there are no open Purchase Orders, no output is generated.
4. After conducting a careful review of the output, enter a **Y** at the **Proceed with Open Year Update?** Prompt. The YEC journals generated during the Process step will be output posted.

The following functions are performed during the Open Fiscal Year process:

- Current-Year Actual Revenue and Expenditures are rolled to Last Year, Last Year to Prior Year, etc.

This process ensures new-year revenue and expenditure accounts are zero in preparation for new-year processing by rolling current year information to history. The new fiscal year will now display as the current year.

- Annual Fund Budget Amounts Roll to Last Year, Last Year to Prior Year, etc.
- Budget amounts are rolled to history ONLY for annual fund accounts. The budget for multiyear funds such as Fund 2, 22 and 360, will always be the budget generated when the project originated.

The new-year budget on annual fund accounts is zero until the budget completion/update is performed.

- Purchase Obligations (Encumbrances) are created for purchase orders carried into the new-year.
- Fund Balance assigned during Close Current Fiscal Year for outstanding purchase orders is reversed.

NOTE: ***Print and review the SOY journal generated during this process before posting! If there are no open Purchase Orders, no output is generated.***



6. PROCESS BUDGET COMPLETION JOURNAL/UPDATES

The Budget Completion Journal/Update process loads the budget for current year reports.

IMPORTANT: ***The appropriate budget projections MUST be created before completing this process! A budget completion Journal/Updt must be run for each budget projection created for the fiscal year.***

Verify the Budget Preparation Year

Before initiating the Budget Completion Journal/Update process, verify that the Budget Year in the Budget Parameters Table is set to the new fiscal year.

Select:***Financials > Budget Processing > Budget Settings***

1. If the **Budget preparation for** field does not display the correct fiscal year, select **Update**



2. Enter the budget preparation year.

Run the Budget Completion Journal/Update:

Note A: Please ensure the Fund 2 Budget Projection contains only accounts for new-year projects! The projection must have been created with the “include selective account inclusion” option set and only projects for the new-year included. Do not perform the budget completion if the projection contains accounts from prior year projects.

Note B: Verify Budget Projections balance by fund prior to performing the completion.

Select:***Financials > General Ledger Menu > End of Period > Fiscal Year End Processing > Budget Completion Journal/Updt***

1. Select the **Define** button.
2. Enter the following field values:
 - Projection Number
 - Budget Level - 3 Tentative
 - Journal reference description
 - Optionally change the Journal post date and/or select the Update assets to be replaced box.
3. Select an output method and review the budget information. Please review this list carefully prior to updating the budgets. *Warnings* alert you to accounts with zero budgets whereas *Errors* must be corrected. Verify that budgeted Revenues and budgeted Expenses yield a net of zero for every fund represented in the projection. If the net is not zero **do not** perform the **Process** step.

IMPORTANT: *Ensure that the report contains only the funds/accounts that are appropriate for the projection and that all budget amounts are at Tentative Level.*

4. Select the **Output/Post** button to put the budgets in place for the new fiscal year.
5. Repeat the Budget Completion Journal process for each budget projection. This process will be completed for each projection file.

6. After processing all Budget Projections, ensure budgets are in place using GL Account Inquiry and checking accounts included in different projections.

The following functions are performed during Budget Completion:

- New adopted budgets from the Next-Year Budget Projections file are posted to the current year.
- If outstanding purchase orders are carried into the new-year **and the impacted expenditure account exists in the budget projection**, a separate budget completion journal (BUC) is created to post 'carry forward' budget increases to expenditure accounts.




7. ESTABLISH NEW PURCHASE ORDER AND REQUISITION NUMBERS

After completing the fiscal year end process and before allowing user access to Munis®, make any necessary adjustments to the starting Purchase Order and/or Requisition numbers. The starting numbers are specified in Purchasing Settings.

Select:




Financials >Purchasing >Setup >Purchasing Settings

1. Click on the **Requisition and Purchase Order Settings** tab.
2. Click **Update**  and enter the requisition and purchase order numbers.

If your District assigns PO & Requisition numbers based upon Department, perform the following:

Select:

Financials >Purchasing >Setup >Purchasing Departments

1. Click **Find**  then click **OK**  to retrieve all Departments.
2. Click **Update** .
3. Enter the new requisition and purchase order numbers.
4. Repeat steps 2 & 3 until all Departments are updated.



8. RESUME Munis® PROCESSING

After completing the final system backup, return to Cloud Admin 2.0 and Unlock Munis to allow staff to resume Munis® processing.

POSTING LAST YEAR ADJUSTMENTS

The Post Last-Year Adjustments process allows prior year journal adjustments to be made after Year-End Close processing has been performed. All prior year journal entries **MUST** be entered in period 13 (End of Year) of the prior fiscal year.

Prior Year Adjustments may be made from the following Munis® processes:

- General Journal Entry/Proof
- Invoice Entry/Proof
- Invoice Maintenance
- General Billing
- Payroll Posting
- Fixed Assets

➤ ***PAY CLOSE ATTENTION TO THIS SECTION OF THE DOCUMENT – THERE ARE MANY JOURNAL ENTRIES THAT ARE REQUIRED DURING PERIOD 13 DUE TO GASB 54.***

Note: An appendix for Fund 21 has been added to this document and contains all information needed to process adjustments necessary for the fund. Refer to [Appendix C](#) for Fund 21 entries.

The following information is a list of adjusting entries necessary to prepare for your district's financial audit.



1. ENTER ACCOUNTS RECEIVABLE AND ADDITIONAL ACCOUNTS PAYABLE

NOTE: *Do not make the following accounts receivable adjusting entry if the General Billing module is being used. Regular General Billing procedures will automatically create these adjustments.*

Any accounts receivable and accounts payable for goods and services received during the prior year and not previously entered in invoice entry must be recorded in period 13.

Note: Remember to enter accounts receivable and accounts payable in Fund 21.

To record the accounts receivable adjusting entry:

DEBIT Accounts receivable (6153)

CREDIT Revenue account.

To record the accounts payable adjusting entry:

DEBIT Expenditure account

CREDIT Accounts payable account (7421).



2. VERIFY AND ENTER UNEARNED REVENUE AND ACCOUNTS RECEIVABLE FOR FUND 2

Run the Project Budget Report for active, inactive and closed grants and review project totals to identify unearned revenue or accounts receivable amounts.

Select:

Financials >General Ledger >Inquiries and Reports >State Specific Reports >Kentucky >Project Budget Report

1. Select the Seg Find button and include Fund 2 with account status of Active, Inactive and Closed (A|I|C)
2. In the Report Options screen, select the following options:
 - a. Field #12 with Totals, no Page Break
 - b. Period 13 of the closed year

To make a Fund 2 unearned revenue adjusting entry:

Unearned revenue (7481) is a liability account that represents revenues collected before they become due. For example, if a grant has \$10,000 recorded in revenue but only \$8,000 in recorded expenditures, the unearned revenue for that grant is \$2,000. This amount should be entered as unearned revenue after closing the fiscal year.

Create a journal entry:

DEBIT	Grant revenue account	\$2,000
CREDIT	Unearned revenue account (7481)	\$2,000

Making Fund 2 accounts receivable adjusting entries:

NOTE: *Do not make the following Fund 2 accounts receivable adjusting entry if the General Billing module is being used. Regular General Billing procedures will automatically create these adjustments.*

Accounts receivable must be recorded for grants that have expenditures in excess of revenue received to date. For example, for a grant with \$15,000 recorded in revenue and \$18,000 recorded in expenditures, an accounts receivable entry of \$3,000 should be entered.

Create a journal entry:

DEBIT	Accounts Receivable (6153)	\$3,000
CREDIT	Grant Revenue Account	\$3,000

NOTE: *The grant must have budgeted revenue remaining. If the grant award in the above example was only \$15,000, the \$3,000 in excess expenditures must be moved to Fund 1.*



3. NONSPENDABLE FUND BALANCES

GASB 54 includes a category of fund balance accounts for assets that will not ever be converted to cash or not converted soon enough to affect the year-end balance. These are considered non spendable fund balances. An example of the journal to be posted is shown below.

Below are the possible object codes to use for non-spendable fund balances:

8722 – Non-spendable – Inventories

8723 – Non-spendable – Prepaids

8727 – Non-spendable – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

To classify fund balance as non-spendable- prepaid:

If expenditures are considered prepaid for the next fiscal year, then the total of the prepaid expenditures (shown on the balance sheet in object codes 6181 or 6182) for that fund should be posted in period 13 to the non-spendable fund balance account:

DEBIT Unassigned Fund Balance (8770)

CREDIT Non-spendable – Prepaids (8723)

NOTE: *The same type of journal entry would be created for any amounts determined to be non-spendable at the end of the fiscal year.*



4. RESTRICTED FUND BALANCES

GASB 54 includes a category of fund balance accounts which are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. These are considered restricted fund balances.

Below are the possible object codes to use for restricted fund balances:

8731 – Restricted – Grants

8732 – Restricted – Sick Leave Payable (*based on KRS 157.420 – amounts formerly in 8762 – before GASB 54 implementation*)

8734 – Restricted – SFCC Escrow – Prior Offer

8735 – Restricted – Future Construction Projects (BG-1)

8736 – Restricted – Debt Service

8737 – Restricted – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

8738 – Restricted – SFCC Escrow – Current Offer

GENERAL (1) & SPECIAL REVENUE FUND (2) ENTRIES

To restrict fund balance for sick leave payable:

The following entry should be posted in Period 13 if amounts are restricted for sick leave payable pursuant to KRS 157.420:

DEBIT Unassigned Fund Balance (8770)

CREDIT Restricted – Sick Leave Payable (8732)

NOTE: *The same type of journal entry would be created for any amounts that are restricted at the end of the fiscal year.*

CAPITAL OUTLAY (310) & BUILDING FUND (320) ENTRIES

To restrict Capital Outlay (310) and Building Fund (320) balances at end of odd-numbered years:

Step 1:

Any funds reflected in the Restricted – SFCC Escrow – Current Offer (8738) account must be moved to the Restricted – SFCC Escrow – Prior Offer (8734) account in a journal posted in period 13. This step must be performed prior to posting any funds into the current offer account.

Move Current Offer of Assistance to Prior Offer of Assistance:

DEBIT Restricted – SFCC Escrow – Current Offer (8738)

CREDIT Restricted – SFCC Escrow – Prior Offer (8734)

Step 2:

Move funds that are obligated for future construction projects that have a BG-1 approved by KDE prior to June 30:

DEBIT Unassigned Fund Balance (8770)

CREDIT Restricted – Future Construction Projects (BG-1) (8735)

Step 3:

Move funds remaining after Steps 1 & 2 are performed to Restricted – SFCC Escrow – Current Offer (8738) in period 13:

DEBIT Unassigned Fund Balance (8770)

CREDIT Restricted – SFCC Escrow – Current Offer (8738)

At the end of an odd-numbered year, funds may be shown in only three accounts: 8734, 8735, or 8738.

To restrict Capital Outlay (310) and Building Fund (320) balances at end of even-numbered years:

Any funds reflected in the Unassigned Fund Balance (8770) in an even-numbered year after closing must be moved to Restricted – Other (8737) in period 13 except for funds committed to a project through a BG-1 approved by KDE by June 30. Funds committed through an approved BG-1 (if any) must be moved to Restricted – Future Construction Projects (BG-1) (8735).

DEBIT Unassigned Fund Balance (8770)

CREDIT Restricted – Future Construction Projects (BG-1) (8735)

CREDIT Restricted – Other (8737)

It is very important that the balances in 8734 and 8738 remain the same as they were at the close of the previous year. Amounts are moved to 8734 and 8738 only at the end of odd-numbered years.

At the end of an even-numbered year, funds may be shown in only four accounts: 8734, 8735, 8737, or 8738.

CONSTRUCTION FUND (360) ENTRIES

To restrict Construction Fund (360) if unassigned fund balance is a credit:

Any funds reflected in Unassigned Fund Balance (8770) after the year is closed must be moved to the restricted account for future construction. A credit in the Unassigned Fund Balance account indicates more revenue was posted for the year than expenses paid. The following journal will need to be posted in period 13.

DEBIT Unassigned Fund Balance (8770)
CREDIT Restricted – Future Construction Projects (BG-1) (8735)

Construction Fund (360) entry if unassigned fund balance is a debit:

A debit in the Unassigned Fund Balance account indicates more expenses were posted than revenue received for the year in this fund. The general fund must transfer funds to satisfy the deficit. The following journal will need to be posted in period 13.

DEBIT General Fund – Transfers Out (0910)
CREDIT General Fund Cash (6101)
DEBIT Construction Fund Cash (6101)
CREDIT Construction Fund – Transfers In (5210)



5. COMMITTED FUND BALANCES

GASB 54 gives districts the ability to constrain fund balances for specific purposes. District boards must take action before June 30th to commit funds. The dollar amount can be designated after June 30th. Committed funds cannot be used for any other purpose unless the board takes action to remove or change the constraint.

An example of committing funds would be if the board took formal action prior to June 30 approving Site Based Decision Making (SBDM) councils to carry unexpended budget amounts forward into the new fiscal year specifically for this purpose. A journal entry must be posted in period 13 to commit Unassigned Fund Balance (8770) in the amount of the carry forward.

Below are the possible object codes to use for committed fund balances:

8741 – Committed – Site Based Carry Forward
 8742 – Committed – Sick Leave Payable
 8745 – Committed – Future Construction Projects (Board approved but no BG-1)
 8747 – Committed – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

To commit Unassigned Fund Balance (8770) for site based carry forward:

DEBIT Unassigned Fund Balance (8770)

CREDIT Committed - Site Base Carry Forward (8741)

NOTE A: ***A Board Order is required to commit Unassigned Fund Balance for any purpose***

NOTE B: ***The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.***



6. ASSIGNED FUND BALANCES

GASB 54 includes a category of fund balance accounts for assigned fund balances which are amounts intended for specific purposes. Amounts reported as assigned cannot cause a deficit in the unassigned fund balance. Assigned resources differ from committed in that they do not require a formal board action. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Below are the possible object codes to use for assigned fund balances:

8752 – Assigned – Site Based Carry forward

8753 – Assigned – Purchase Obligations (Current period's 1 - 12)

8755 – Assigned – Purchase Obligations (Period 13 – Year End)

8757 – Assigned – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

To assign Unassigned Fund Balance (8770) for a specific purpose:

For example, if the board designated the superintendent to assign fund balances for specific purposes and he chose to assign funds to purchase a special reading program for the primary classes next year, the following journal entry should be made in period 13. This decision was made by the superintendent (designated by board) and no board action was taken.

DEBIT Unassigned Fund Balance (8770)

CREDIT Assigned - Other (8757)

NOTE: ***The same type of journal entry would be created for any amounts that are assigned prior to the end of the fiscal year.***

Encumbrances

The reporting of encumbrances under GASB 54 depends on the category of the funds encumbered, such as restricted, committed or assigned. For example, any fund balance that has a restricted balance should have the encumbrances in a restricted account. This would include Fund 2, 310, 320 and 360. Only the General Fund will have encumbrances that are Assigned Purchase Obligations. The system creates the balance in Assigned Purchase Obligations, so a journal entry will need to be made in period 13. The entry will be reversed in period 1 of the following year.

Balances in 8753 and 8755 must be reclassified to the appropriate category.

DEBIT Assigned – Purchase Obligations (Period 13 – Year End) (8755)

CREDIT Restricted – Grants (8731)

NOTE: *The same type of journal entry would be created for any amounts that need to be reclassified from assigned to another category.*

Proprietary Fund entries

All proprietary funds report Net Assets instead of Fund Balances, so Unassigned Fund Balance (8770) will need to be reclassified as Restricted – Net Assets (8739), Unrestricted Net Assets (8712), or Capital Assets, Net of Related Debt (8711). The following journal entry will need to be posted in period 13 for all proprietary funds (5X).

DEBIT Unassigned Fund Balance (8770)

CREDIT Unrestricted Net Assets (8712)

CREDIT Capital Assets, Net of Related Debt (8711)

CREDIT Restricted – Net Assets (8739)



7. FIXED ASSET DOCUMENTATION

Refer to the document entitled End of Year Fixed Assets for all steps necessary for closing the year with fixed assets. The document can be found on the [KDE Munis Support & Guides](#) webpage.



8. POST ADJUSTING ENTRIES

After posting adjusting entries to period 13, perform the Post Last Year Adjustments function to perform a mini “Year End Close” on the transactions. The Post Last Year Adjustments function may be run multiple times to make prior year adjustments.

Select:

Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Post Last Year Adjustments

1. Select the **Define button** to gather the journals posted to the previous fiscal year.
2. Select the **Output-Post** button and **Print** the report.

The report will contain a detailed listing of all entries to be posted to period 13 of the prior fiscal year, including the entries to the appropriate control accounts. The last page(s) will include “**Re-closing Entries**”. Re-closing entries are automatically created and are required to re-close Expenditure and Revenue Control accounts to Fund Balance.

GENERATING AFR REPORTS

Refer to the document entitled Annual Financial Report (STW-GL-2) for instructions on generating the AFR Report.

NEW YEAR PROCESSING

Adjusting journal entries made in period 13 of the previous year to recognize revenue and payables must be reversed to prepare for new-year reporting. Likewise, year end fund balance must be moved to a revenue account for new-year reporting and processing. Beginning balance budget amounts must be adjusted to reflect the actual fund balance available in the new-year.

NOTE: *Do not make the following accounts receivable adjusting reversal if the General Billing module is used. General Billing’s payment process will create the reversals. See the Processing Bill Payments document in the Munis General Billing User Guide for more information. Unearned revenue and accounts payable entries must still be made manually, per the directions below.*

➤ ***Pay close attention to this section regarding GASB 54 entries.***



1. REVERSE FUND 2 UNEARNED REVENUE AND ACCOUNTS RECEIVABLE ENTRIES

The Fund 2 unearned revenue and accounts receivable journal entries made in preparation for fiscal year-end close must be reversed in Period 1 of the new fiscal year, as follows:

To reverse the Fund 2 unearned revenue adjusting entry:

DEBIT Unearned Revenue account (7481)

CREDIT Grant revenue account.

To reverse the Fund 2 accounts receivable adjusting entry:

DEBIT Grant revenue account

CREDIT Accounts Receivable account (6153).



2. REVERSE ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE ENTRIES

The accounts receivable and accounts payable journal entries made in preparation for fiscal year-end close must be reversed in Period 1 of the new fiscal year, as follows:

To reverse the accounts receivable adjusting entry:

DEBIT Revenue account

CREDIT Accounts Receivable account (6153).

To reverse the accounts payable adjusting entry:

DEBIT Accounts Payable account (7421)

CREDIT Expenditure Accounts.



3. REVERSE RESTRICTED ACCOUNT ENCUMBRANCE ENTRY

The journal entry that was made to move the balance of the Purchase Obligations to Restricted will need to be reversed in Period 1 of the new year.

To reverse the accounts encumbrance entry:**DEBIT** Restricted – Grants (8731)**CREDIT** Assigned – Purchase Obligations (8755)**4. MOVE APPROPRIATE FUND BALANCES TO BEGINNING BALANCE**

During the closing process, prior year revenues and expenditures are closed into Unassigned Fund Balance (8770). In the section above, directions were given on the journal entries to move fund balances to the appropriate fund balance accounts in compliance with GASB 54. On [Appendix D](#) – Balance Sheet Fund Balance Classifications, there is a column indicating whether it is necessary to move each fund balance account into beginning balance in period 1.

Multiple beginning balance accounts must be created to aid in identifying the source of funding. Examples of the object codes are shown below:

0999N for beginning balances coming from non-spendable fund balances

0999R for beginning balances coming from restricted fund balances

0999C for beginning balances coming from committed fund balances

0999A for beginning balances coming from assigned fund balances

0999U for beginning balances coming from unassigned fund balances

NOTE: ***A journal entry must be made to recognize the beginning balance as revenue in period 1.***

To determine the amount of Fund Balance that must be transferred to the Beginning Balance revenue account, run a Balance Sheet for Period 00 of the new-year. This will reflect the Purchase Obligations adjusting entries made during fiscal year end processing.

General Fund (1) Unassigned Fund Balance (8770) will be moved to Beginning Balance (0999U):

Any credit amount reflected as unassigned fund balance in the general fund will need to be moved to the unassigned beginning balance account in period 1.

DEBIT Unassigned Fund Balance (8770)
CREDIT Beginning Balance - Unassigned (0999U)

Moving Committed – Site Based Carry Forward (8741) to Beginning Balance - Committed (0999C):

Moving committed funds for site based carry forward to committed beginning balance must be posted in period 1 so the funds are available for spending by the schools in the new school year.

DEBIT Committed – Site Based Carry Forward (8741)
CREDIT Beginning Balance - Committed (0999C)

Note A: Committed funds (other than site based carry forward) will only be moved to beginning balance when the expenditures are ready to be paid.

Note B: The above entry is an example of how committed fund balance(s) would be moved to beginning balance at the appropriate time.

Moving Restricted Amounts in Funds 310 & 320 to Beginning Balance- Restricted (0999R) only in odd numbered years:

Capital Outlay (310) and Building Fund (320) Restricted – Other (8737) at the beginning of odd numbered years will be moved to restricted beginning balance.

DEBIT Restricted – Other (8737)
CREDIT Beginning Balance - Restricted (0999R)

Moving Non spendable – Prepaids (8723) to Beginning Balance – Non spendable (0999N):

Moving the non-spendable – prepaid funds to non-spendable beginning balance must be posted in period 1 so the funds are available for spending by the district in the new-year. **This is the only non-spendable fund balance that will be moved to beginning balance.**

DEBIT Non-spendable – Prepaids (8723)
CREDIT Beginning Balance – Non spendable (0999N)

Proprietary Funds (5X) Restricted – Net Assets (8739) will be moved to Beginning Balance – Restricted (0999R):

Any amount reflected in the Restricted – Net Assets (8739) account of a proprietary fund, should be moved to beginning balance in period 1.

DEBIT Restricted – Net Assets (8739)
CREDIT Beginning Balance – Restricted (0999R)



5. BUDGET SITE BASED CARRY FORWARD IN THE NEW YEAR

Budget the site based carry forward at the school level using object codes 0899 Other Miscellaneous. Using this budget code will allow site based decision making (SBDM) councils and school personnel to see the amount carried forward into their new-year budget.

Use 0899 as the budgetary code only. This should not be the code used for the expenditure, unless that is the correct code for an expense. The expenditure should be coded using the appropriate codes.



6. ADJUST BEGINNING BALANCE BUDGET AMOUNT

For all Annual funds, the amount budgeted to beginning balance must be adjusted to reflect the actual fund balance at year end. Expenditure budgets must also be adjusted to complete the balancing entry. This transaction must be completed as a budget amendment entry.

NOTE: *Any purchase obligations carried forward into the new- year for accounts included in a budget projection will have increased budgets, thereby creating an out of balance budget. The adjusting entry to beginning balance must reconcile that out of balance situation.*

To adjust beginning balance budget:

Increase (or decrease) the beginning balance budget account and increase (or decrease) corresponding expenditure accounts.

APPENDIX A: Tables Validation Error Messages

Munis® provides detailed documentation for all G/L Table Validation errors.

1. From within your web browser go to the Munis® web site <http://support.Munis.com/>
2. **Login** with your username and password. If you do not have a login and password, select the **Register for a new account** button.
3. Utilize the following steps to access the document:

- a. Select the Munis® KnowledgeBase from the screen.
- b. Then type “Guide to GL Table Validation Report Version 10.0 or GREATER” in the keywords box. Do not change any other setting on the page.

APPENDIX B: Processing Purchase Orders at Year-End

During Fiscal Year End Processing current-year encumbrance entries are reversed for all open Purchase Orders and re-encumbered in the new-year. Therefore, it is important to review all open purchase orders to determine if they should remain open before initiating the year-end process. During year-end processing, fund balance is “assigned” to reflect the obligation for outstanding Purchase Orders.

Purchase Orders carried forward are encumbered, liquidated and expensed in the new year. New year expenditure account budgets are increased to cover the expense of carry forward Purchase Orders during budget completion processing. Only accounts included in a new-year budget projection will realize an increase in the new-year budget. Therefore, purchase obligations carried forward on current year project accounts will not incur a budget increase.

REVIEWING OPEN PO's PRIOR TO YEAR-END

In preparation for closing the fiscal year, all outstanding current-year Purchase Orders should be reviewed. Only those Purchase Orders which represent legitimate budget obligations for the new fiscal year should be left open and carried into the next year. All other Purchase Orders should be processed, closed or canceled prior to closing the fiscal year.

Select:



Financials >Purchasing >Purchase Order Inquiry and Reports >Purchase Orders by GL Account

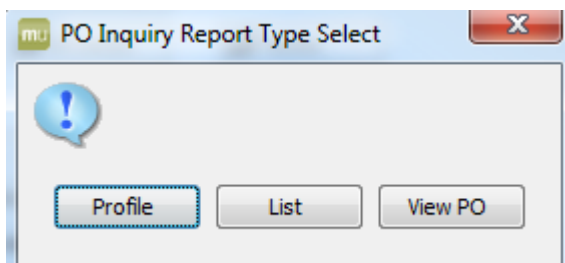
1. This program allows for selection and reporting of Purchase orders in a few different ways. This is of benefit if you are trying to pinpoint PO issues in a Fund, a range of accounts or by segment(s).
 - a. Use the **Define** or **Seg Find** button to select a range of PO's utilizing these accounts.
 - b. Use the **By Segment** button to select PO's and produce a report output with a user selectable sorting method. All report options are contained in a window that appears when this option is selected.
2. After clicking the **Define** or **Seg Find** button and entering selection criteria click the **Report Options** button to enter reporting options. Ensure you Select PO's with *Open Amounts*, Select Year of *Current Year*, PO Selection of *Select Current Open on or before year/per below* and Thru year/period *current year/13*. You may also select any other options in this area.
3. Click the **Select** button to select the PO's with the criteria established. The number of PO's meeting your criteria will appear in the lower left part of the screen.
4. Select an output method and review the report.
5. Analyze the output. Close any POs that should not carry forward to the next fiscal year. See the section on **CLOSING/MASS CLOSING PURCHASE ORDERS**.

Identify Outdated POs

All POs posted prior to the current fiscal year should have a closed status. To identify any outdated POs run the Purchase Order Maintenance program:

Financials >Purchasing >Purchase Order Inquiry and Reports >Purchase Order Inquiry

- 1) Select **Find** .
- 2) In the **Status** field enter greater than zero (e.g. ">0") and click **OK** .
- 3) Select an output method and review the report. The following screen will appear.



Chose **List** to print a full listing of outdated Purchase Orders.

- 4) Any POs returned should be examined and closed. Use the **Close PO** button in Purchase Order Maintenance to close a Purchase Order. If a large number of POs exist, see the next section (Closing/Mass Closing Purchase Orders to mass close large groups of POs.

CLOSING/MASS CLOSING PURCHASE ORDERS

Any purchase order that should not be carried into the new-year should be liquidated or closed. Munis® provides a couple of methods to assist in closing Purchase Orders.


Note: Open purchase orders with a zero balance are carried into the new-year. Please close these POs unless a specific requirement exists and they must be carried forward.

Purchase orders can be closed individually or in mass through the Purchase Order Maintenance program.

Select:

Financials >Purchasing >Purchase Order Processing >Purchase Order Change Orders

Individually Cancel/Close a PO:

1. Select Find  and enter a PO number, year or other to select one or a group of open POs.

2. To cancel a PO simply select the **Cancel PO** button. This will set the status to close and liquidate the remainder of the purchase order.
3. Closing a PO involves changing a zero balance PO from Open to Closed by selecting the **Close PO** button. Only POs with no remaining balance can be closed, therefore no journal entries are produced.

Mass Cancelling POs:

1. Select the **Cancel by GL** button.
2. Multiple criteria may be entered to select a specific group of POs to cancel:
 - a. The **Define** button allows the user to enter Fund range or Org/Obj range criteria used in conjunction with the **Report Options** button.
 - b. The **Seg Find** button allows selection of POs by specific account segments. This option is also used in conjunction with the **Report Options** button.
 - c. The **Report Options** button allows a further narrowing of groups of POs.
 - i. A user can select POs with No amounts (open with zero balance) or POs with open amounts.
 - ii. Select current or next year POs, a specific Department, POs created since a particular year/period etc. All of these options allow a user to specifically select and cancel a group of Purchase Orders.
3. Click the **Select** button to select POs matching the previously entered criteria.
4. The **Mass Cancel** button is used to close or cancel the currently selected group of POs. Before performing the Mass Cancel the user must select an output method for the report. In processing the Mass Cancel, the user is prompted for a year and period to post the adjusting encumbrance/liquidation entries.
5. You may also use the **By Segment** button to select and cancel POs using slightly different criteria.

APPENDIX C: Special Revenue District Activity-Fund 21 (Annual Fund)

The year-end adjustments for Fund 21 are similar to those for Fund 1. However, there are a few significant differences. Review the information below to ensure proper entries are made and appropriate accounts are used.

When fiscal year-end close is processed in Munis, fund balance closes into 8770-Unassigned Fund Balance. Entries will need to be made to move the balance to the appropriate fund balance accounts. After transactions have been moved to the appropriate fund balance account(s), the remainder of 21-8770 has to be moved to account 21-8740-Committed Fund Balance. The balance in 8740 will then be moved to revenue account 221-0999C in Period 1 of the new fiscal year.



1. NONSPENDABLE FUND BALANCES

GASB 54 includes a category of fund balance accounts for assets that will not ever be converted to cash or not converted soon enough to affect the year-end balance. These are considered non spendable fund balances. An example of the journal to be posted is shown below.

Below are the possible object codes to use for non-spendable fund balances:

8722 – Non-spendable – Inventories

8723 – Non-spendable – Prepaids

8727 – Non-spendable – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

To classify fund balance as non-spendable- prepaid:

If expenditures are considered prepaid for the next fiscal year, then the total of the prepaid expenditures (shown on the balance sheet in object codes 6181 or 6182) for that fund should be posted in period 13 to the non-spendable fund balance account:

DEBIT Unassigned Fund Balance (8770)

CREDIT Non-spendable – Prepaids (8723)

NOTE: *The same type of journal entry would be created for any amounts determined to be non-spendable at the end of the fiscal year.*



2. RESTRICTED FUND BALANCES

GASB 54 includes a category of fund balance accounts which are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. These are considered restricted fund balances.

The object code below is the only allowable code to use for restricted fund balances for Fund 21:

8737 – Restricted – Other – specify detailed purpose in Notes to the Financial Statement for the auditor



3. COMMITTED FUND BALANCES

GASB 54 gives districts the ability to constrain fund balances for specific purposes. District boards must take action before June 30th to commit funds. The dollar amount can be designated after June 30th. Committed funds cannot be used for any other purpose unless the board takes action to remove or change the constraint.

An example of committing funds would be if the board took formal action prior to June 30 approving Fund 21 District Activity Fund (annual) to carry unexpended budget amounts forward into the new fiscal year specifically for an approved purpose. A journal entry must be posted in period 13 to commit Unassigned Fund Balance (8770) in the amount of the other.

Below are the possible object codes to use for committed fund balances:

8770 – Unassigned Fund Balance

8747 – Committed – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

To commit Unassigned Fund Balance (8770) for other:

DEBIT Unassigned Fund Balance (8770)

CREDIT Committed - Other (8747)

NOTE A: ***A Board Order is required to commit Unassigned Fund Balance for any purpose***

NOTE B: ***The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.***



4. ASSIGNED FUND BALANCES

GASB 54 includes a category of fund balance accounts for assigned fund balances which are amounts intended for specific purposes. Amounts reported as assigned cannot cause a deficit in the unassigned fund balance. Assigned resources differ from committed in that they do not require a formal board action. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Below are the possible object codes to use for assigned fund balances:

8753 – Assigned – Purchase Obligations (Current period's 1 - 12)

8755 – Assigned – Purchase Obligations (Period 13 – Year End)

8757 – Assigned – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

To assign Unassigned Fund Balance (8770) for a specific purpose:

For example, if the board designated the superintendent to assign fund balances for specific purposes and he chose to assign funds to purchase a special reading program for the primary classes next year, the following journal entry should be made in period 13. This decision was made by the superintendent (designated by board) and no board action was taken.

DEBIT Unassigned Fund Balance (8770)

CREDIT Assigned - Other (8757)

NOTE: *The same type of journal entry would be created for any amounts that are assigned prior to the end of the fiscal year.*

Encumbrances

The reporting of encumbrances under GASB 54 depends on the category of the funds encumbered, such as restricted, committed or assigned. For example, any fund balance that has a restricted balance should have the encumbrances in a restricted account. These include Fund 2, 21, 22, 310, 320 and 360. Only the General Fund will have encumbrances that are Assigned Purchase Obligations. The system creates the balance in Assigned Purchase Obligations, so a journal entry will need to be made in period 13. The entry will be reversed in period 1 of the following year.

Balances in 8753 and 8755 must be reclassified to the appropriate category.

DEBIT Assigned – Purchase Obligations (Period 13 – Year End) (8755)

CREDIT Restricted – Grants (8731)

NOTE: *The same type of journal entry would be created for any amounts that need to be reclassified from assigned to another category.*



5. Moving UNASSIGNED FUND BALANCE 8770 TO COMMITTED FUND BALANCE 8740

After all appropriate entries have been made to reclassify the balance in 8770, any remaining balance will be moved to 8740.

To commit Unassigned Fund Balance (8770) for other:

DEBIT Unassigned Fund Balance (8770)

CREDIT Committed Fund Balance (8740)

NOTE A: *A Board Order is required to commit Unassigned Fund Balance for any purpose*

NOTE B: *The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.*

APPENDIX D: Balance Sheet Fund

Balance Classifications

Fund Balances		Period 1 Move to Beginning Balance	General 1	Special Revenue 2 & 22	Special Revenue Dist. Act. Annual Fund 21	Capital Outlay 310	Building Fund 320	Construction 360	Debt Service 400	Proprietary 5X	Fiduciary Funds Agency Funds 6X	Fiduciary Funds Pensions, Investment , Private- Purpose Trust 7XXX	Asset 8X	LT Debt Acct Grp 9 ***
8710	Investment in Governmental Assets	No											✓	
8711	Capital Assets, Net of Related Debt	No								✓			✓	
8712	Unrestricted Net Assets	Yes								✓				

Nonspendable

8722	Inventories	No	✓	✓	✓									
8723	Prepays	Yes	✓	✓	✓	✓	✓	✓						
8727	Other	Case by case	✓	✓	✓	✓	✓	✓						

Restricted

8731	Grants	No		✓										
8732	Sick Leave Payable	No	✓											
8734	SFCC Escrow - Prior Offer	No				✓	✓							
8735	Future Construction Projects (BG-1)	No	✓			✓	✓	✓						
8736	Debt Service	No							✓					
8737	Other	No	✓	✓	✓	✓*	✓*	✓			✓	✓		
8738	SFCC Escrow - Current Offer	No				✓	✓							
8739	Net Assets	Yes								✓				

Fund Balances

		Period 1 Move to Beginning Balance?	General Fund 1	Special Revenue 2 & 22	Special Revenue Dist. Act. Annual Fund 21	Capital Outlay 310	Building Fund 320	Construction Fund 360	Debt Service 400	Proprietary 5X	Fiduciary Funds Agency Funds 6X	Fiduciary Funds Pension, Investment Private- Purpose Trust 7XXX	Asset 8X	LT Debt Acct Grp 9 ***
Committed														
8740	Committed Fund Balance	Yes			✓									
8741	Site Based Carry Forward	Yes	✓											
8742	Sick Leave Payable	No	✓											
8745	Future Construction Project (No BG-1)	No	✓											
8747	Other	No	✓		✓									

Assigned

8752	Site Based Carry Forward	Yes	✓											
8753	Purchase Obligations (Current Periods 1 - 12)	No	✓		✓									
8755	Purchase Obligations (Period 13 - year-end)	Automatic	✓		✓									
8757	Other	No	✓		✓									

Unassigned

8770	Unassigned Fund Balance	Yes	✓	✓**	**	**	**	**	**		**	**		
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**only in even numbered years*

*** - only a debit balance is permissible by GAAP*

****NCES DOES NOT USE FUND 8 or FUND 9*